

# Committee on Resources

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Statement of

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Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today on the behalf of taxpayers. As you may know, Americans for Tax Reform (ATR) is broad coalition of taxpayers and taxpayer groups from across the country committed to free markets, lower taxes, less regulations and smaller government.

As a matter of background, each year, ATR issues a report entitled Cost of Government Day, which calculates the day of the year the average American is done working for total government spending and regulations. For 2003, the average American needed to work more than half the year, until July 11th to pay for the costs imposed by government. This was an increase of 5 days from last year, driven by federal spending and regulations. All told, the average American needs to work 87 days out of the year to pay for federal spending in 2003, an increase of 10 days from the year 2000.

At the same time as spending has been increasing, in 2003, the average American will have to work 63 days out of the year to pay for all regulations, which is an increase of nearly one day over 2002 and five additional days than was required in 2000. In total, the average American has worked a cumulative total of 10.1 additional days to pay for the substantial increases in regulations since 2000.

So with the federal government expanding 20 percent faster than the growth of working families' incomes since 2000 and the country fighting a War on Terrorism, the federal government should not be creating new spending and regulatory programs, such as National Heritage Areas.

Just last month, the Congressional Budget Office (CBO) estimated the fiscal year 2004 budget deficit to be \$480 billion due to increased spending and a slower economy. Signs are pointing upward for an economic rebound for the remainder of the year and into 2004, but without spending restraint the country will never dig itself out of the budget hole.

If spending had been held to the rate of national income growth over the previous three years, the federal deficit would be just \$70 billion, 4.5 times smaller than the actual projected 2003 deficit. In fact, the \$70 billion deficit would reflect the slowdown of the economy and the lost capital gains revenue stemming from the stock market's \$7 trillion lost of value since March 2000. Expected faster economic growth at the end of this year and into 2004 would have put the country back into surpluses if spending had been restrained.

The National Heritage Area proposal has all the dynamics to become an exploding federal government program, which threatens long-term fiscal stability of the federal budget. Let's be real, once this program is established, the program will become permanent and more localities will develop reasons for their areas to be designated. Organized local government officials and special interests will continue to lobby for the program to continue and thus require more federal funding. With more requests coming in, more money will be required, AND more money for maintenance will be needed. This comes on top of a National Park Service burden that is already facing a multi-billion dollar maintenance backlog. All this will require higher taxes on working American families at some point and ATR vigorously opposes this proposal.

At the same time this money is spent on the programs, what is the benefit? It is my belief that the costs far exceed any benefits derived from the new program. Local zoning restrictions will work to take property from rightful owners, while restricting economic growth in these communities. This occurs to benefit non-community residents who seek to profit off of American taxpayers and take property from existing residents.

Under any analysis, it is clear that Congress should not move forward with this initiative.

Mr. Chairman, thank you for inviting me to testify on this very important issue. I would be happy to answer any questions that you, or other members of the subcommittee, may have.